Drug production from penultimate and intermediate stages

1612. DR. NARREDDY THULASI REDDY :Will the PRIME MINISTER be pleased to state :

(a) what are the names of bulk drugs produced by each company which are liable to pay overcharged amount under DPEA;

(b) what was the production of each drug under DPCO, 1979 and what is its present price;

(c) what was the production of each drug during the last three years; year-wise;

(d) whether it is fact that certain drugs are being produced from intermediate stages during that period;

(e) if so, the names of the drug and the company and since when each is being produced from penultimate and intermediate stages;

(f) whether it is also a fact that his Ministry has allowed to increase price of these drugs without examining cost data, stocks in hand; and

(g) if so, the names of these drugs ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) to (c) To the extent information is available the required details in respect of the major bulk drugs in which companies are liable to pay overcharged amount under DPEA are given in the Annexure. [*See* Appendix CLXV, Annexure No. 31].

(d) and (e) Government specifies the basic starting stage for each bulk drug at the time of issue of industrial approval however relaxations to manufacture from intermediate/penultimate stages are given for some drugs taking into consideration various sectors such as level of indigenous technology, economic viability etc. Such drugs include Rifampicin, Dexamethasone, varapamil etc.

(f) and (g) The prices of controlled bulk drugs are revised on the basis of the cost-cum-technical study report of the BICP, and the escalation formula provided by the BICP therein and with the help of cost data available with the Government, in accordance with the provisions of DPCO, 1987.

Action against Sri Ram Foods and Fertilizers Limited for gas leakage in 1985

1613. SHRI AJIT P. K. JOGI : Will the PRIME MINISTER be pleased to state :

(a) whether the Sri Ram Foods and Fertilizers Limited has been found guilty of negligence for Oleum gas leakage in Delhi during 1985; and

(b) if so, the stage at which the matter of compensation to victims and action against the management stands at present ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) Yes, Sir.

(b) The matter of compensation to the persons affected by the leakage of Oleum in M/s. Sri Ram Foods and Fertilizers Industries in December, 1985 was entrusted by the Supreme Court to the Additional District and Session Judge, New Delhi as a special court to hear and decide these claims. It is reported that as on 26-11-92 a total of 4775 claims have been received out of which 4768 claims have been settled till now .

Scrutiny of Form 6 of Drug Companies

1614. DR. ABRAR AHMED : Will the PRIME MINISTER be pleased to refer to the answer to starred Question 122 given

in Rajya Sabha on the 16th July, 1992 and state :

(a) whether it is fact that drug industry has complained to Government about the decline in profitability of drug industry after 1987;

(b) if so, whether Government have verified these facts after studying Form 6 returns and annual reports of major companies;

(c) what are the names of the drug companies whose annual reports and Form 6 returns have been studied after the announcement of DPCO, 1987;

(d) what is the position in regard to net fixed assets, profit before tax, earning of foreign exchange, outgo foreign exchange and productive investment made by each company; and

(e) what is the percentage of price controlled and decontrolled of each company and what is the price increase in each product of these companies after 1987 ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) Yes, Sir. The industry has been complaining of declaining profitability for quite some time.

(b) to (d) To the extent available, information is given in the enclosed statement-I and statement-II. *(See below)*.

(e) The Time and labour involved in the collection and compilation of this voluminous information will not be commensurate with the results likely to be achieved.

Statement-I

	Name of the Co.	Profitability during the year (Profit before Tax as Percentage of sale income)			
		1988-89	1989-90	1990-91	1991-92
1	Alembic Chem.	—	1.8	0.6	(—)1.2
2	Andhra Sugars	—	6.9	8.5	10.2
3.	Burroughs Wellcome	6.5 (9/87 to 2/89)	2.7	3.8	—
4.	Bayer (I) Ltd.	9.8 (1/88 to 3/89)	6.0	8.2	—
5.	Cynamid	—	10.2	10.9	11.1
6.	Duphar Interfran	2.7	3.7	4.1	—
7.	L. Merck	4.8 (1988)	4.5 (1989)	2.2 (1990)	(—)18.2 (1991)
8.	Glaxo	4.3 (7/88 to 3/89)	4.3	3.8	2.1
9.	German Remedies	—	7.6	3.5	—
10.	Geoffrey Manners	5.3	5.8	3.8	—
11.	Hindustan Ciba-Geigy	9.5 (1/88 to 3/89)	10.6	9.1	—
12.	Hoechst	3.0	3.5	2.2	—
13.	IFIUNIK	—	—	5.1	—
14.	Infar	—	—	9.2	10.5
15.	ICI	(—)4.5	(—)12.4	(—)3.8	—
16.	John Wyeth	—	—	10.4	—
17.	J. L. Morison	—	3.5	—	—
18.	Merind	0.5	2.5	3.8	—
19.	Nicholas Labs	8.3	9.5	10.1	—
20.	Pfizer	—	5.1	5.7	—
21.	Procter & Gamble	11.7 (7/88 to 6/89)	6.4	3.3	—

	Name of the Co.	1988-89	1989-90	1990-91	1991-92
22.	Reckit & Colman	—	17.4 (1989)	19.0 (1990)	16.7 (1991)
23.	Rhone Foulene	—	6.9	5.0	—
24.	Reptakes Brott	—	2.4	2.6	—
25.	R. S. Pathy	—	5.2	4.2	6.8
26.	Roche	4.2 (Jan—Dec. 88)	2.8	0.8	—
27.	Standard Organics	—	3.9	3.6	—
28.	S. K. F.	14.3 (12/87 to 3/89)	14.6	14.3	—
29.	S. G. Pharma	(—)7.7	(—)4.2	(—)6.4	—
30.	Sandoz	3.0 (1988)	5.0 (1989)	4.5 (1990)	3.9 (1991)
31.	Wyeth Labs	—	—	8.2	—
32.	Win Medicare	—	2.8	2.4	—
33	Sunil Synchem	—	(—)56.1	(—)10.4	(—)6.0
34.	Carews Pharmaceuticals	—	—	4.4	—
35.	Serdia Pharmaceuticals	—	—	—	(—)3.6
36.	Metroni Drugs	—	(—)3.3	2.9	—
37.	Neuland Labs	—	7.1	15.7	14.5
38.	Anil Starch Products	—	—	0.5	(—)1.3
39.	Mannheim	—	—	1.3	1.6

Statement-II

S No.	Name of the Co.	Net fixed Assets (Rs. in '000)		
		1988-89	1989-90	1990-91
1	Cynamid	79266	78820	95284
2.	Hoechst	640870	802397	143006
3.	Merind	32420	39018	42899
4.	Pfizer	126274	116077	128299
5.	Tamilnadu Dadha	32594	37077(—)	45195
6.	Anil Starch	111129	116395	111063
7.	Glaxo	592148	752105	840024
8.	Sandoz	172643	169260	173144
9.	Parke Davis	68124	65806	71057
10.	Burroughs Wellcome	103167	112739	119745
11.	Lyka Labs.	51869	59065	88932
12.	Carews	101704	102331	101016
13.	Bayers	230614	319295	406224
14.	Astra IDL	34756	34455	33311
15.	Themis	35837	44695	35026
16.	Alembic	219336	235055	270034
17.	Albert David	72337	127995	124735
18	Cadila	81203	109431	131161
19.	German Remedies	85023	103377	174987
20.	Fulford	N.A.	11809	11809
21.	Nicholas	55522	69108	294638
22.	Boots	71601	98347	135787